

Department of Defense



End-to-End Procurement Process

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End-to-End Procurement Process

Agenda

- ⑤ Introductions
- ⑤ Background
- ⑤ Approach
 - ⑤ Results To Date
 - ⑤ Near Term Actions
 - ⑤ Remaining Activities
- ⑤ Progress Review with DCMC and DFAS
- ⑤ Questions



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Background

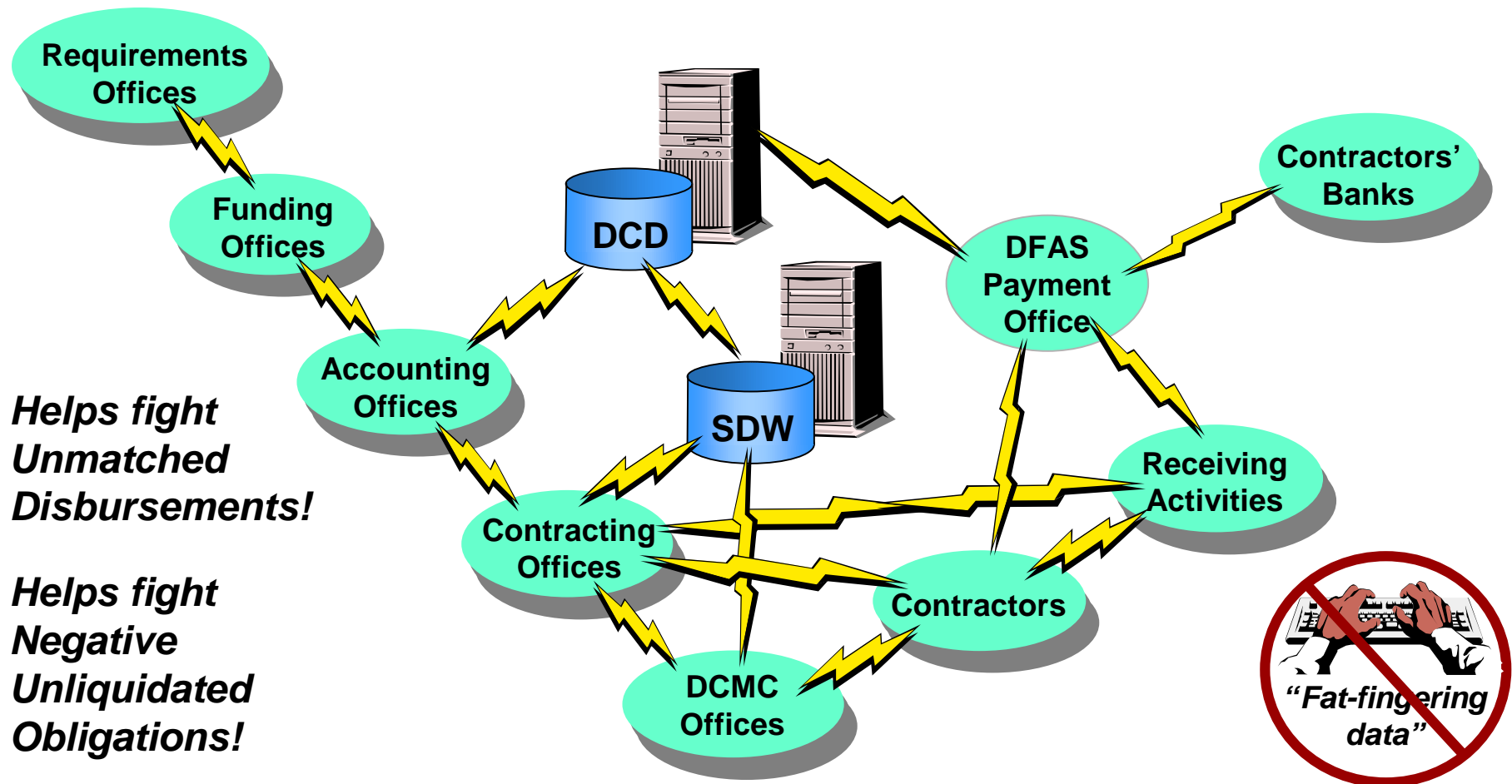
- ⑥ **The Deputy Secretary of Defense's Paperless Acquisition Goals--*particularly as they relate to Unmatched Disbursements and Negative Unliquidated Obligations***
- ⑥ **Management Reform Memorandum #2, Moving to a Paperless Contracting Process by January 1, 2000**
- ⑥ **"As-is" Contracting Process Model developed by Paperless Contracting Working-level IPT in early 1998**
- ⑥ **September 22nd Director, Defense Procurement Memo--*DCMC Lead "an 'End-to-end' Process Review of Contracting Requirements and SPS Systems Interface Issues."***
- ⑥ **Defense Reform Initiative Directive #47 Signed 9 Dec 98 - End-to-End Procurement Process**
- ⑥ **Established Website at**
<http://www.dcmc.hq.dla.mil/centers/paperless/e2e/index.htm>



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The Paperless Acquisition Vision

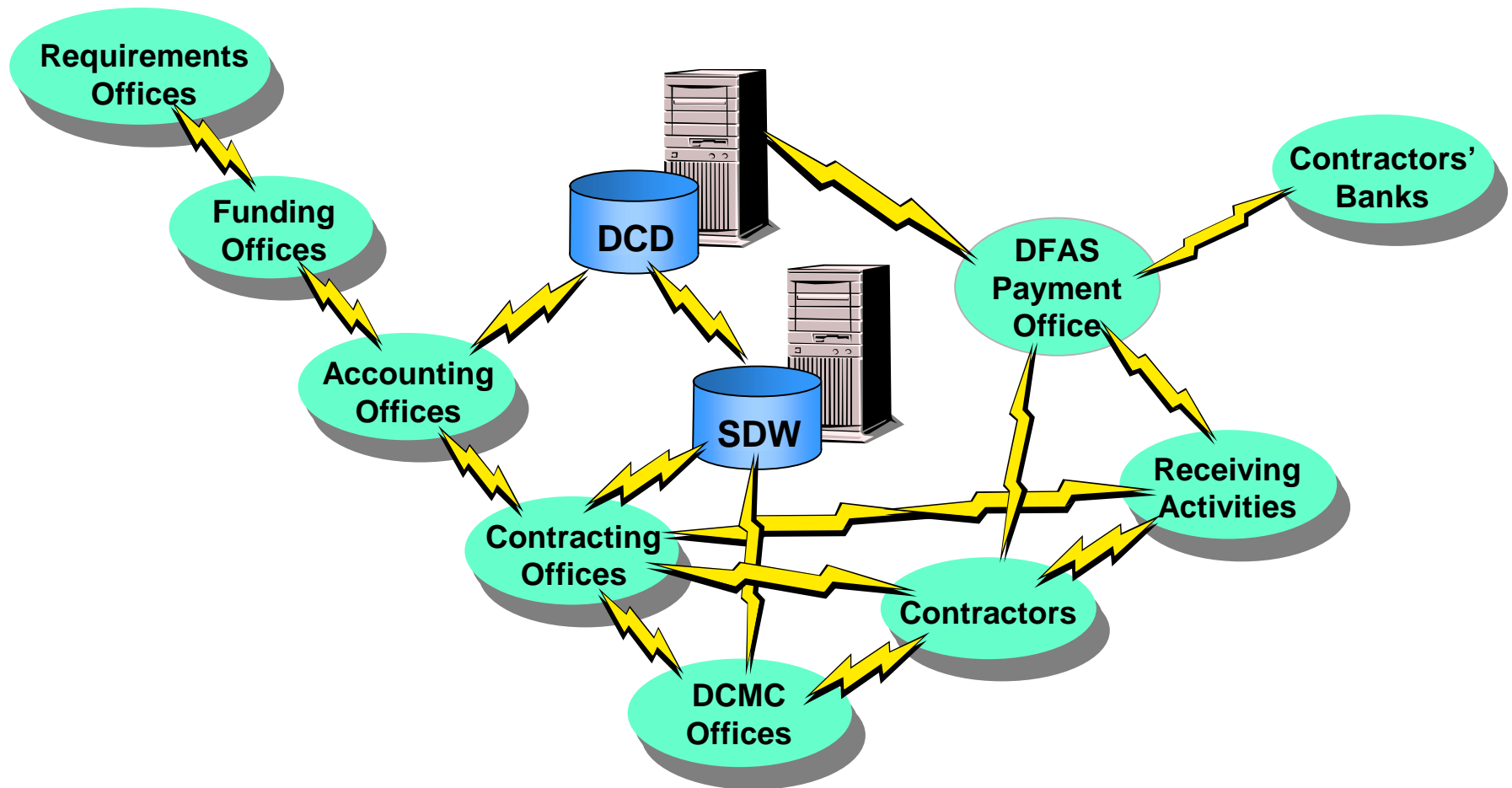
... seamless ... all electronic ...





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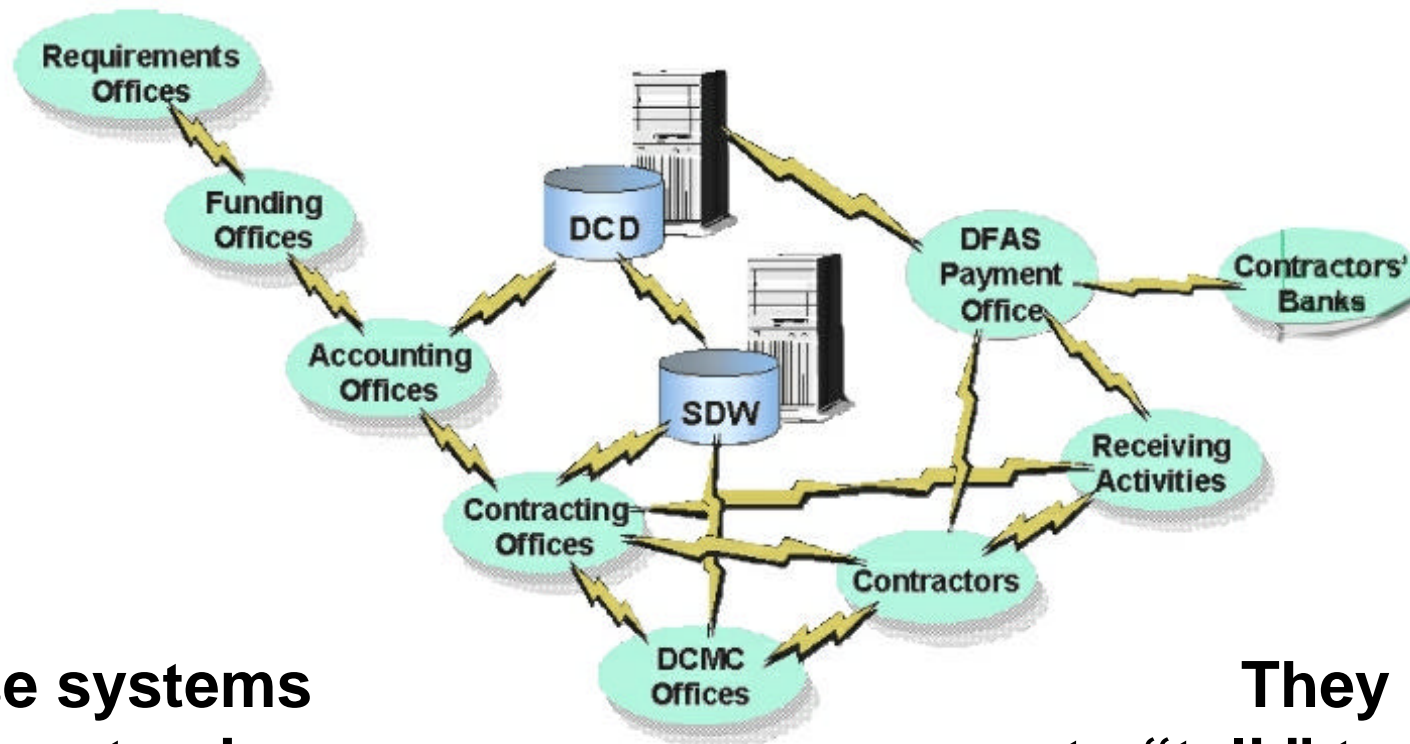
Will it work?





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Only if everyone helps make sure!



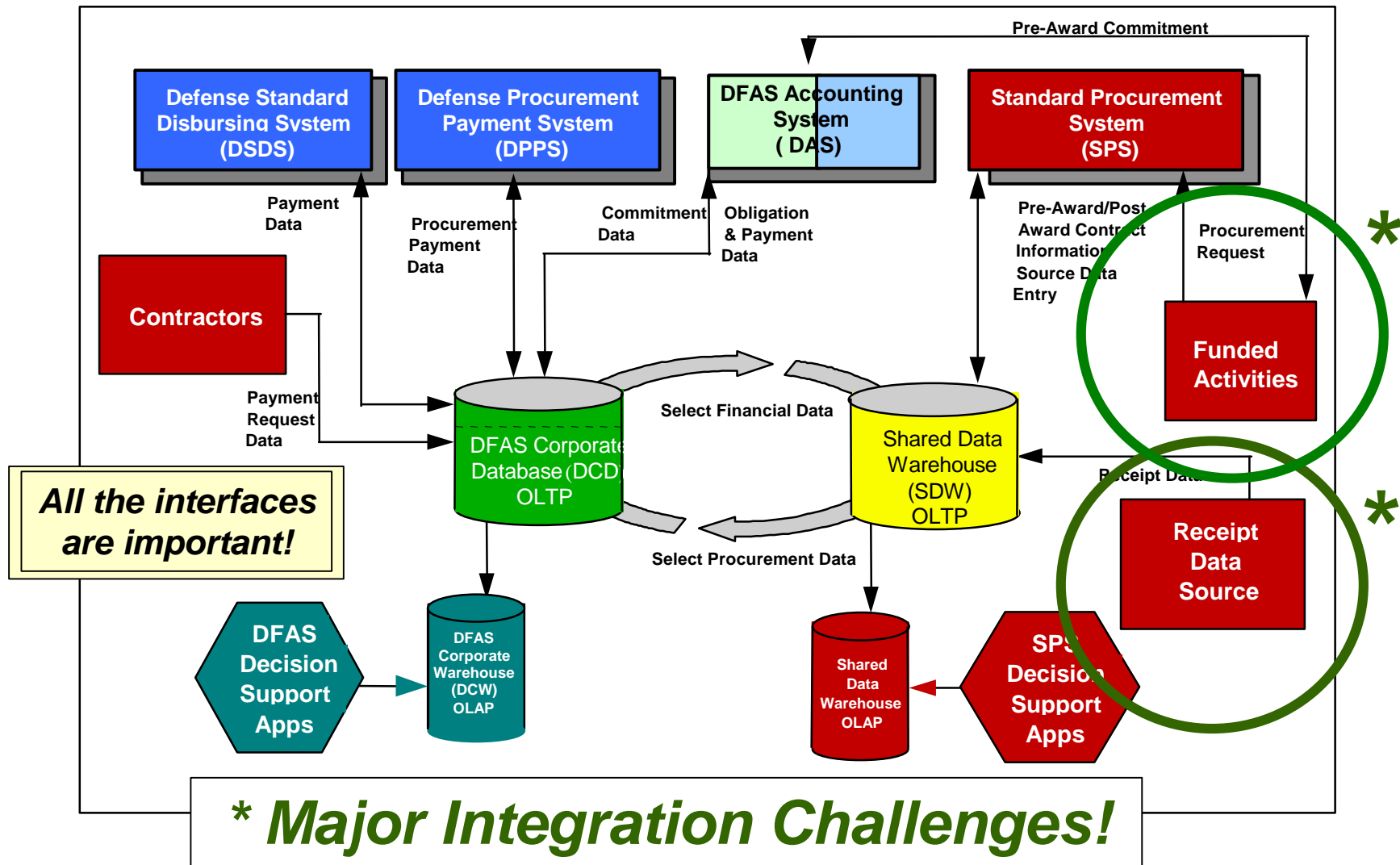
These systems
all have to share
data and information . . .

They need
to “talk” to each
other really well . . .



Integration Challenges

Notional "To-Be" Architecture





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Why We're Here

Goals and Expectations:

- ⑤ Develop an “End-to-End” Process Flow for the Contracting Process as Envisioned for FY 00, as Enabled by Electronic Initiatives

*Seamless interoperability
is the goal!*





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Scope of Our Effort

- ⑤ Define the “To Be” Environment for the DoD Contracting Process, Worldwide, Including:
 - Requirements
 - Solicitations
 - Awards and Modifications
 - Receipts
 - Payments
 - Contract Closeout
- ⑥ Address Process Dependencies, Integration Requirements, Information Requirements, and Responsibilities
- ⑥ Seamless Data Flow Between Business Processes

Business “Processes” vs. “Practices”



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Approach

⑤ Phase 1 - Model Template

- ③ "Process" SMEs

November 17-19

⑤ Phase 2 - Develop Process Model

- ③ "Technical" Data Exchange SMEs

December 8-10

⑤ Phase 3 - Detailed "To-Be" Model

- ③ As many levels of indenture as needed
- ③ Smaller Group of SMEs

*January 5-7
January 26-28
February 9-11*

⑤ Phase 4 - System Cross-Walk

February 23-24

⑤ Phase 5 - "Final Polishing" Session

Early March

⑤ Develop Reports and Briefings

Mid-March



Objective of Phase 1

November 17-19, 1998

- **Create a To-Be Procurement Process Model Template**
 - **Develop Process Model Composition**
 - **Detail Process Model Map**
 - **Identify Process Inputs/Outputs**
- **Capture Pertinent Business Rules**
- **Capture Improvement Ideas and Opportunities**



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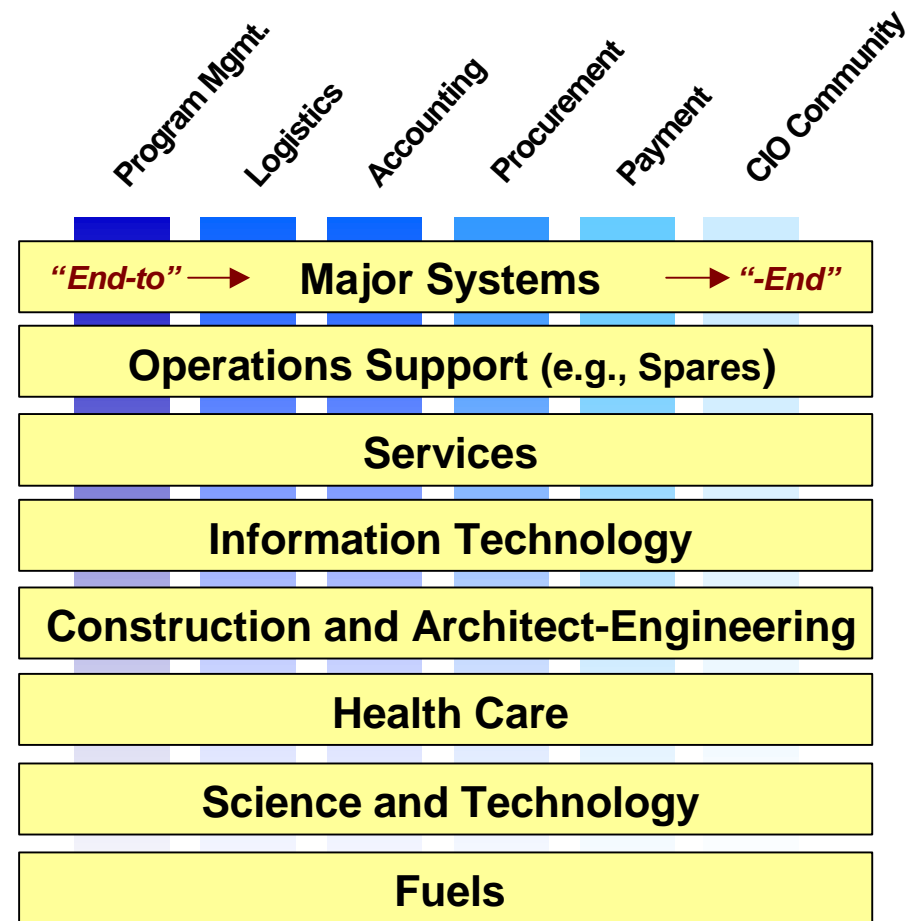
Phase 1 - Model Template

Purpose of Session: Develop Outline “To Be” Process

The communities involved
in the process . . .

“What we buy drives how
we buy!”

“End-to-End” views . . .

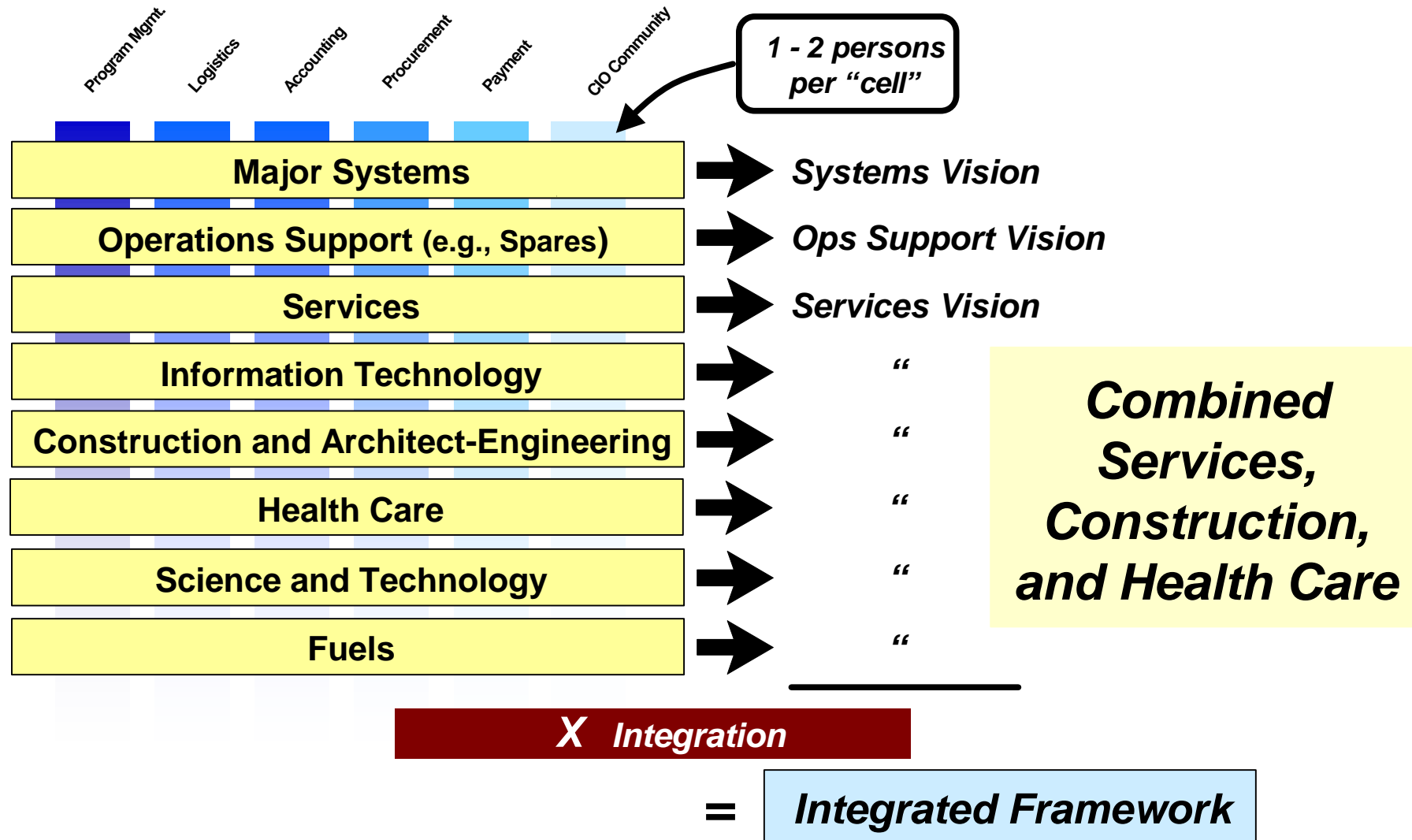


More →



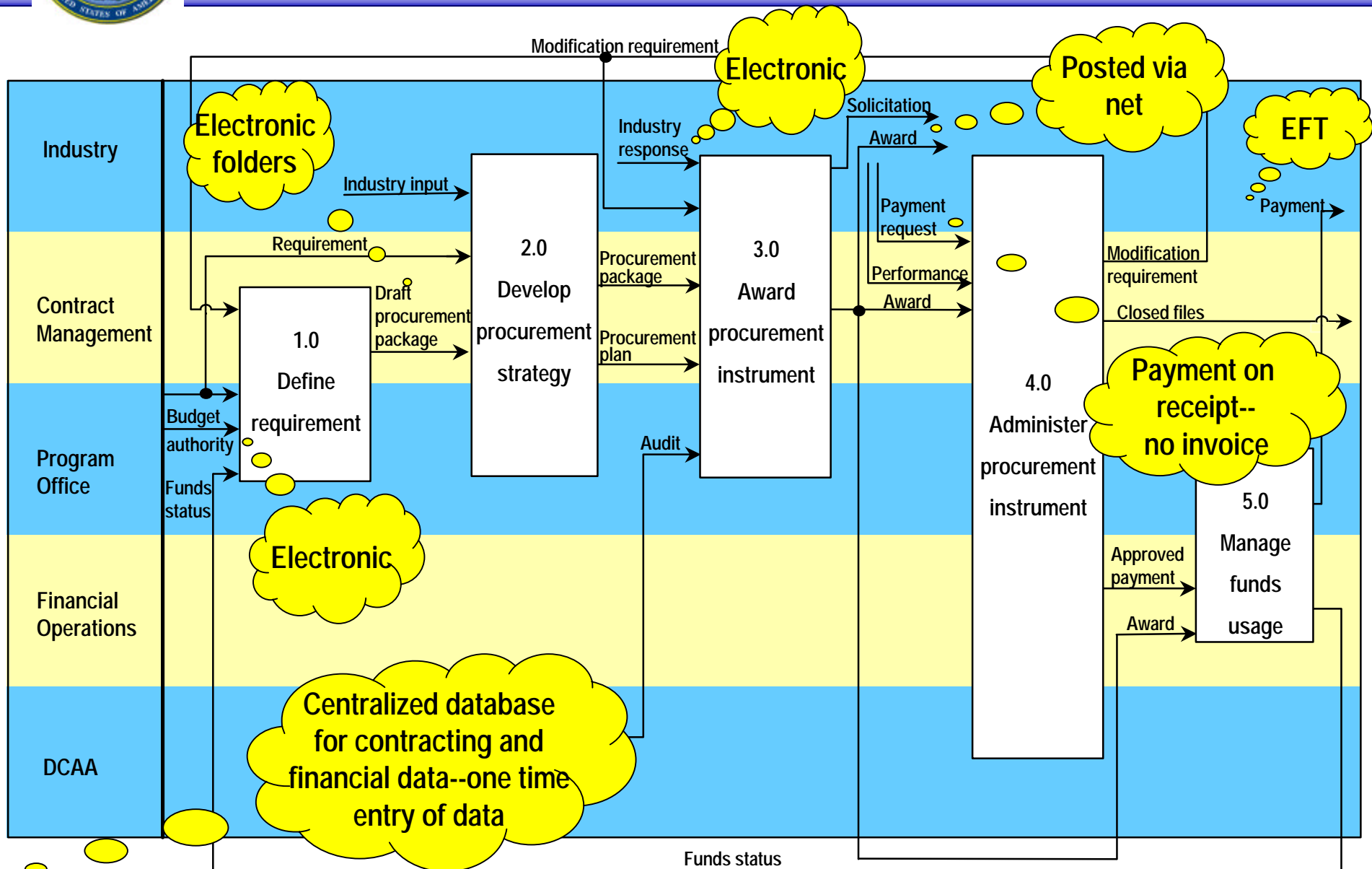
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Phase 1 - Model Template





To-be Procurement Process Map





End-to-End Procurement Process

Integrated Framework

- ⑤ **Similar to As-Is Process Model at Macro-Level**
- ⑤ **Increase Use of Electronic Transactions**
 - ⑤ **More Use of World Wide Web**
 - ⑤ **Use Wide Area Workflow for Receipts/Payments and Contract Closeout**
- ⑤ **Changed Some Inputs/Outputs and Roles**
 - ⑤ **Deleted Invoices**
 - ⑤ **Payment Requests “Approved” by Contract Admin**
 - ⑤ **DFAS Functions as Accountant and Bank**



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Improvement Ideas

- ⑤ **Posted to Web-Site**
- ⑤ **Organized by Subgroup and “As-Is” Process Area**
- ⑤ **Samples:**
 - ⑤ **Contractor Access to SDW**
 - ⑤ **Single Site for Posting Solicitations**
 - ⑤ **Automatic Notification of Award (or Modification)**
 - ⑤ **On-line Access to Delivery and Payment Status**
 - ⑤ **Update Statutes for “Electronic Acquisition”**
 - ⑤ **Eliminate Invoices**
 - ⑤ **Refunds via EFT**



Objective of Phase 2

December 8-10, 1998

- **Refine Procurement Process Model**
- **Divided Group into Four Areas**
 - **Procurement Planning**
 - **Pre-Award**
 - **Post Award**
 - **Receipts and Payments**
- **Identify Data Elements and Sources**
- **Identify “Connectivity” Issues**
- **Capture Improvement Ideas**



Objective of Phase 3

Several Sessions - Ongoing

- **Integrate and Incorporate Phase 1 and 2 Results**
- **Develop Initial “To-Be” Procurement Process Model**
- **Define “To-Be” Process Inputs/Outputs**
- **Build Initial “To-Be” Systems Models to Document Process Flow**
- **Document Pertinent Business Rules**
- **Incorporate Improvement Ideas and Opportunities**



Objective of Phase 4

February 23-24, 1999

- **Review Results with Key Systems Program Offices**
 - **SPS/SDW**
 - **DPPS/DCD**
- **Refine “To-Be” Models as Necessary**
- **Refine Business Rules and Recommendations**



Objective of Phase 5

Early March, 1999

- **One-Day Conference to Present Results**
- **Scrub Models with SMEs**
 - **Phase 1 Participants**
 - **Phase 2 Participants**
 - **Anyone Else**
- **Refine “To-Be” Models as Necessary**
- **Refine Business Rules and Recommendations**



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Progress Review

- ⑤ Owe Progress Review to DCMC (Maj Gen Malishenko) and DFAS (Mr Amlin)
- ⑤ Review Needed by February 22, 1999
- ⑤ Status Report of Where We Are
 - ⑤ Need to Incorporate Phase 1 and Phase 2 Results
 - ⑤ Want to Show Initial “To-Be” Process Model
- ⑤ Coordinate Through Core Group
 - ⑤ Coordinate via Web?



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Final Words . . .

- ⑤ **“To-Be” Procurement Process Activity Underway**
- ⑤ **Need Continued Support for Upcoming Phases**
 - ⑤ **Additional SMEs**
 - ⑤ **Review Results (Posted to Website)**
 - ⑤ **Coordination**
- ⑤ **Progress Review**





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Any Questions?

